



## 40<sup>th</sup> CSCAP Steering Committee Meeting

### **Third Plenary Session of the CPC Central Committee China's Domestic and Foreign Policies Wang Haihan, CSCAP-China**

Recently, two important meetings were held in China. One is the Third Plenary Session of the 18<sup>th</sup> Central Committee of the Communist Party of China (CPC) in November, and the meeting ushers in a new round of wide-ranging reform measures in China for the next 8 years leading to 2020.

The other is the meeting concerning China's diplomacy and foreign policy which was held in late October.

These two important meetings illustrate China's policies and future directions at home and abroad.

#### **I. Third Plenary Session of the CPC Central Committee**

35 years ago in 1978, an important time for China, when Mr. Deng Xiaoping started reform and opening-up drive. The country's focus was shifted to economic construction and global integration. The reform and opening-up policies have brought China more than three decades of rapid economic growth, and China becomes the world's second largest economy.

However, with three decades passed, some policies and practices could not keep up with changing economic and social changes. What's more, the global financial crisis in 2008 heavily hit the world economy and changed the global economic growth process. In China various difficulties and problems have arisen because of economic structural problem.

All these problems call for comprehensive and in-depth adjustment. All these problems are expected to be resolved through further deepening reforms.

The recently concluded CPC Central Committee plenary session marks the starting point of a new round of comprehensively deepening reforms in China. These reforms are as important as what we had 35 years ago.

The general objective of the reform is to improve and develop socialism and push on the modernization of the country's governing system and capabilities. This round of comprehensive reform, unprecedented in scale, will go far beyond economic changes and will cover the socialist market economy, democracy, cultural development, social harmony and ecological matters.

The reform focus includes:

Reform on non-public sector: The private sector will be allowed to invest in state-owned assets and monopoly industries, and to acquire resources on an equal basis as other investors;

Reform on establishing proper relations between the government and the market: The market should be allowed to play a decisive role in resource allocation;

Reform on fiscal and tax system to improve legislation, fairness and efficiency;

Reform on more opening-up: to lower the investment threshold, step up the development of the Free Trade Zones and increase opening-up of inland, coastal and border areas. The recently established Shanghai Free Trade Zone is an experiment.

Judicial reform is to ensure independence and fairness in prosecuting bodies and courts and to improve judicial practice;

Reform on anti-corruption system: Power should be reined in with regulations and supervised by the people. In this respect, more effective measures are under consideration, including frequent inspections on government agencies, and asset declaration by government officials.

A comprehensive system for environment protection will be established.

And a military reform to build an army which has a sound work style and is capable of winning battles.

As for the timetable, the reform results must be achieved in all key sectors by 2020.

To ensure a smooth going of the reforms, a central leading body for reform has been established and the team will be in charge of designing and supervising the implementation of reform programs, arranging and coordinating reform measures, and pushing forward reform as a whole.

The leadership is committed to and capable of executing reform measures, and they have the ability to overcome difficulties to push forward reforms that conform to the long term interests of the state and to the happiness of the Chinese people. Reform results will also bring more opportunities to the world and create a win-win situation for both China and the rest of the world.

## **II. China's foreign policy**

The world today is undergoing changes as never seen before. China's relations with

the outside world are also changing as never before, as China and the world has become more and more inter-dependent and their interactions with each other become more active. Developments and changes at home and abroad have put forward new, higher requirements for China's diplomacy. Over the past year, the new leadership of China has made a good beginning on the diplomatic front through a series of successful major diplomatic initiatives. They have sent out a clear message that China, as a nation committed to fulfilling its responsibility, is building on past achievements, opening up new prospects in its diplomatic work, upholding the independent foreign policy of peace, and striving for new progress in win-win cooperation with other countries.

In its diplomacy, China stresses building a new model of major-country relationship to ensure that its relations with them will enjoy long-term, steady and sound growth.

China will pay more attention to its relations with neighbors and make it its priority in its diplomacy, as the old saying goes that "a good close neighbor means more than a distant relative". And this saying is still not outdated.

We will not forget China's identity as a developing country and so we will work hard to further develop relations with other developing countries and always remain a reliable friend and true partner of other developing countries.

In the handling of international and regional hotspot issues, you will see still a proactive participation from Beijing, and China will not shirk its due responsibilities in this respect.

As a big country in the world, China will continue to maintain the present international order and the universally recognized norms of international relations and more actively participate in the reform and improvement of the international system.

In late October, a high level meeting dedicated to periphery diplomacy was held in Beijing. The focus of the meeting is to design at top-level China's diplomatic strategy concerning its surrounding region.

The more China develops, the more it appreciates the value of a peaceful and stable neighborhood. China's neighborhood area has always been a priority on its diplomatic agenda. At the meeting, President Xi Jinping made important remarks. He underlined China's commitment to forging friendship and partnership with its neighbors and fostering an amicable, secure and prosperous neighborhood. He elaborated the principle of amity, sincerity, mutual benefit and inclusiveness that guides China's efforts to build a neighborhood of greater peace, stability, development and prosperity and China's desire to bring more benefits to its neighbors and contribute to common development through its own development. These remarks have far-reaching importance in guiding China's neighborhood diplomacy.

For examples, China will increase investment in the neighboring countries, actively improve connectivity in the region and explore the establishment of a regional platform for financing cooperation in infrastructure. China is ready to work for the upgrading of China-ASEAN Free Trade Area and continue negotiations on the Regional Comprehensive Economic Partnership (RCEP) and the China-Japan-ROK Free Trade Area. Bilateral and regional maritime cooperation will be continued to turn the surrounding seas into seas of peace and friendship. People-to-people and cultural exchanges with neighbors will be carried out to strengthen public support for the good-neighboring relations. China will also step up cooperation in traditional and non-traditional security fields and actively expand defense and security exchanges with neighbors. Regarding the outstanding disputes over territorial sovereignty and maritime rights and interests in the region, proper solutions must be sought through dialogue and negotiation on the basis of fully respecting historical facts and international law. Any actions that might expand and complicate the disputes are definitely opposed. Pending the settlement of disputes over maritime rights and interests, parties could shelve differences and engage in joint development.

I talked about China's national and international policies, I assume that by putting all these policies into practice, China's economy will see a sustainable development, and China will make greater contributions to the peace and prosperity in the region and the world.